

**GOVERNMENT RESOLUTION No 44/2015**

**of 22 December 2015**

**CONCERNING THE PARTICIPATION OF TIMOR GAP, E.P.<sup>1</sup> IN OIL OPERATIONS IN  
THE EXCLUSIVE AREA OF TIMOR-LESTE**

Whereas TIMOR GAP- Timor Gás & Petróleo, E.P. (abbreviated to TIMOR GAP, E.P.) is the state owned enterprise of the Democratic Republic of Timor-Leste that has, as its object, among other activities, the participation on behalf of the State in any Petroleum Operations, as defined in Article 2 of Law No. 13/2005, of 2 September 2005, including the activities of (i) prospecting for Petroleum, (ii) exploration, development, exploitation, sale or export of Petroleum or (iii) construction, installation or operation of any structures, facilities or support for the development, exploitation and export of Petroleum, or decommissioning or removal of any such structures, facilities or support;

Recognizing that four years after its creation, TIMOR GAP, E.P. currently has the necessary technical knowledge to carry out oil and natural gas prospection and exploration activities and that it is therefore in the Government's interest to promote a more direct participation of the State in national oil projects, through the award of prospection and exploration rights to the said public company;

Considering the importance given to petroleum resources for National Strategic Development and that the only projects currently in production are in the Joint Petroleum Development Area, it is necessary to deepen the knowledge of the existing resources in the Timor-Leste Exclusive Area, through the promotion of prospecting and research activities, which includes the carrying out of studies with a view to acquiring 3 D seismic data covering the areas considered relevant;

Bearing in mind that the results of seismic data and other exploration and research activities will play a relevant role in attracting the necessary investment from international petroleum companies in the area under the exclusive jurisdiction of the State of Timor-Leste;

Recognizing that the development of new petroleum projects is a necessary step towards the commercial discovery of oil and natural gas, and the maintenance of adequate levels of oil and gas production in the long term;

Bearing in mind that, given the current international scenario of hydrocarbon prices, international petroleum companies have been drastically reducing their research budgets and investments in underdeveloped petroleum areas;

Taking into consideration the proposal presented by TIMOR GAP, E.P., expressing interest in conducting oil operations in the Timor-Leste Exclusive Area, with the objective of reducing geological risk and improving knowledge about the potential of existing hydrocarbons;

The Government resolves, in accordance with paragraph 1(o) of Article 115 of the Constitution of the Republic, in conjunction with paragraph 2 of Article 6 of Decree-Law No. 31/2011 of 27 July, the following:

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<sup>1</sup> E.P. – State Owned Enterprise (SOE)

1. Authorize the participation of TIMOR GAP, E.P., with a participation interest of 100% or less, in production sharing contracts for the Onshore and Offshore blocks of the Timor-Leste Exclusive Area, whose contract areas are described and mapped, respectively, in Annexes I and II to this Resolution and of which they are integral parties.
2. That the participation referred to in the preceding paragraph shall be carried out through limited liability companies 100% owned by TIMOR GAP, E.P. for the sole purpose of participating in petroleum operations.
3. To authorize the conduct by TIMOR GAP, E.P., directly or through its subsidiary TIMOR GAP Seismic Services, Ltd., of multi-client seismic data surveys in the Timor-Leste Exclusive Area ("TLEA"), so as to enable the State of Timor-Leste to acquire in-depth knowledge of the geology and petroleum potential of the said area.
4. In the public interest, support the decision of the Ministry of Petroleum and Mineral Resources to directly award the said production sharing contracts to TIMOR GAP, E.P., as well as a prospecting license for seismic data surveys in the TLEA.
5. This Resolution shall enter into force on the day following its publication, with retroactive effect from 14 December 2015.

Approved by the Council of Ministers on 14 December 2015.

To be published.

The Prime Minister,

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**Dr. Rui Maria de Araújo**

## ANNEX I

### Description of the Contract Area for the Onshore Block

Pontos	Latitude S	Longitude E
1	9°00'2.0316"S	125°09'15.9528"E
2	9°00'1.3554"S	125°23'57.7986"E
3	8°54'3.3592"S	125°23'57.5240"E
4	8°54'2.2327"S	125°48'5.4913"E
5	9°08'2.2900"S	125°56'22.7225"E
Ponto 5 – Ponto 6 = Linha Costeira		
6	9°27'41.9836"S	125°05'19.1546"E
Ponto 6 – Ponto 1 = Fronteira terrestre entre Timor-Leste e Indonésia		

### Description of the Contract Area for the Offshore Block

Pontos	Latitude S	Longitude E
1	9°08'32.2307"S	126°57'52.4464"E
2	8°52'19.0272"S	127°38'1.4404"E
3	9°15'50.2366"S	127°48'6.7906"E
4	9°31'21.0522"S	127°08'7.6078"E

## ANNEX II

### Description of the Contract Area for the Onshore Block

